GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:3092
ANSWERED ON:05.12.2016
Irregularities in Supply of LPG Cylinders
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the details of freight rate per cylinder being paid to gas agencies for delivering gas cylinders to consumers along with number of cases identified for inadequate door to door service/irregular and delayed home delivery in the country particularly in Maharashtra and reasons therefor including action taken thereon, State/UT-wise;
(b) whether the Government proposes to formulate any special policy to provide efficient customer service to LPG consumers including online payment facility to refill LPG cylinders and if so, the details thereof, State/UT-wise;
(c) whether Oil Marketing Companies proposes to explore the feasibility to install/provide multifunction regulator across the country and if so, the details thereof, State/UT-wise;
(d) the details of LPG consumers who have voluntarily given up their LPG subsidy so far and whether any proposal is under consideration of the Government to do away LPG subsidy from rich/higher income bracket people and if so, the criteria fixed by the Government to determine the subsidy formula in this regard, State/ UT-wise;
(e) the details of subsidy saved by the Government after "Give it up" scheme and expected fund likely to be saved on withdrawal of LPG subsidy from rich/higher income bracket people in the country; and
(f) whether the Government/civil society members have observed/noticed any error in census data of BPL lists and if so, the details thereof along with steps taken by the Government to improve the infrastructure of distribution systems in rural areas and provide free LPG connections to the actual/intended beneficiary only?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DHARMENDRA PRADHAN)
(a) Currently, the Distributors' Commission for a 14.2 kg cylinder is Rs. 47.48 (Establishment charges − Rs. 28.48 and delivery charges − Rs. 19.0) and for a 5.0 kg cylinder is Rs. 23.74 (Establishment charges − Rs. 14.24 and delivery charges − Rs. 9.50).
Erstwhile, RGGLV LPG distributorships were not providing home delivery to their customers. Now, it has been decided that all existing RGGLV distributorships with monthly refill sale of more than 1500 will be treated as Gramin Vitrak in accordance with Unified Guidelines for Selection of LPG Distributorships 2016 and with mandatory home delivery facility. This may help in minimising the complaints relating to home delivery.
(b) As a part of various Digital India Initiatives, Public Sector Oil Marketing Companies (OMCs) have already launched the facility of portability, Sahaj (new LPG connection) through online mechanism and online refill payment for LPG cylinders in which customer has an option for making the online payments through Net banking & credit/debit card. As on 28.11.2016, more than 5.37 lakh LPG customers have made online payment for refill supply. (c) Public Sector Oil Marketing Companies have reported that currently there is no proposal under their consideration to install/provide multifunction regulator. (d) & (e) As on 29.11.2016, 1,05,73,413 LPG consumers have voluntarily given up/ surrendered LPG subsidy. The estimated annual subsidy savings is approximately ? 1131 crore, assuming an average subsidy of ? 139 per cylinder for 7.7 domestic cylinders of 14.2 kg per annum (average national consumption) for the year 2015-16.
Further, Government has taken steps to rationalise the subsidy outgo by excluding such LPG consumers or his/her having spouse taxable income of above Rs 10 lakhs from availing LPG subsidy w.e.f. 1.1.2016. As on 28.11.2016, 7,92,658 LPG customers have been identified with the help of Income Tax Department under this bracket and have been excluded from availing LPG subsidy. The estimated annual subsidy savings is approximately ? 84.84 crore, assuming an average subsidy of ? 139 per cylinder for 7.7 domestic cylinders of 14.2 kg per annum (average national consumption) for the year 2015-16. (f) The Government with a view to increase LPG coverage to 75% by 2019 and to provide LPG connections to poor household, has launched Pradhan Mantri Ujjwala Yojana (PMUY). Under PMUY, 5 crore new LPG connections to the BPL households identified through SECC data over a period of three years starting from 2016-17 are being released.